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HOUSE BILL 1812 By  
Wood

SENATE BILL 1937  
By McNally

AN ACT to amend Tennessee Code Annotated, Title 12, to allow joint participation between States in Carrying Out Federal-State Programs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 12, Chapter 11, is amended by adding the following new Section:

**12-11-101 Agreements Between States to Effectuate Joint Federal-State Programs--Purpose.** This Chapter may be cited as the "Interstate Contracting for Federal Programs Act." The purpose of this Chapter is to allow the State to join with other States in contracting to provide necessary materials and services for Federal-State programs, in order to provide effective use of combined resources to prevent duplication and unnecessary expense to the citizens of this State.

**12-11-102. Definitions**

- a) "State of Tennessee" includes all agencies of the State of Tennessee listed in Title 4, Chapter 3 of Tennessee Code Annotated.
- b) "State" means a state of the United States.
- c) "United States" means the federal government of the United States of America or any federal agency as defined under federal law.
- d) "Joint Federal-State program" means any program authorized by the statutes and/or regulations of the United States and the State of

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Tennessee where both governments supervise, authorize, and/or fund a program to provide money, goods, or assistance to residents of the State of Tennessee. A program may be a Joint Federal-State program even if one government is solely responsible for funding or operating the program.

- e) "Federal government authorization" means approval in writing, whether in the form of statute, regulation, bulletin, manual, or letter signed by an authorized person, approving certain activities under a Federal-State program.
- f) "Contractor" means a government entity, corporation, partnership, natural person, or joint venture which is qualified to provide materials and services for use in Federal-State programs.

#### **12-11-103. Contracts for Joint Federal-State Programs**

- a) The State of Tennessee may enter into joint contractual arrangements with other States and/or the United States to obtain materials and services to carry out the purposes of a Federal-State program.
- b) The State of Tennessee may enter into agreements with another State and/or the United States to purchase materials and services to carry out the purposes of a Federal-State programs. This agreement may be part of a series of the agreements whereas one State or the United States has agreed to serve as a "lead state" and purchase materials and/or services from one or more contractors, and resell these materials and services to the State of Tennessee and other States.
- c) The State of Tennessee may serve as a "lead state" and thus agree to purchase materials and/or services from one or more contractors, and resell some of these materials and services to one or more other States.

- d) No contract authorized under sections (a)-(c) may be signed unless the contract is for goods and services necessary for a Federal-State program, the procurement is legally acceptable under the laws of the Federal government and those of all participating States, and unless the procurement has received Federal government authorization.
- e) The contracts authorized under sections (a)-(c) may be entered into with one or more States or the United States and one or more contractors as defined in Section 12-11-102(f).
- f) Any contract authorized by this section may be negotiated and entered into without regard to the requirements for competitive bidding of Title 12, Chapter 3, of Tennessee Code Annotated and the requirements of Tennessee Code Annotated Section 12-4-109. Such exemptions must be approved in writing by the Commissioner of the agency of the State of Tennessee authorized to manage the Joint Federal-State program, the Commissioner of Finance and Administration, and the Comptroller of the Treasury.

**12-11-104. Negotiations for Joint Federal-State Program Contracts**

- a) The State of Tennessee may join with other States and/or the United States in evaluating responses to invitations for proposals for contracts to supply materials or services for joint Federal-State programs. The State of Tennessee, subject to the approval of the Attorney General and Reporter, may negotiate agreements with other states concerning the joint procurement efforts.
- b) The State will have the right to terminate negotiations or contracts pursuant to this Chapter at any time in its sole discretion. The State's right to terminate will be regardless of whether the procurement effort has

been approved by any Federal court or agency or if other States or Federal agencies determine to continue with a joint procurement program.

- c) All contracts entered into pursuant to this chapter are contingent on the receipt of necessary appropriations from the Tennessee legislature and the Federal government, and shall be terminated if such funding becomes unavailable.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.